

CHAPTER 5
RENEWAL OF CERTIFICATES AND LICENSES

[Prior to 7/13/88, see Accountancy, Board of[10]]

[Prior to 5/1/02, see 193A—Chapter 6]

193A—5.1(542) Biennial renewal. To maintain the certificate of certified public accountant granted by the board under Iowa Code section 542.6 or 542.19 or the license to practice as a licensed public accountant granted under Iowa Code section 542.8, certificates and licenses shall be renewed biennially. Licensees whose last names begin with A to K will renew in even-numbered years. Licensees whose last names begin with L to Z will renew in odd-numbered years. The renewal of certificates and licenses, as required by Iowa Code sections 542.6 and 542.8, shall be on the basis of a biennial expiration date of June 30, upon forms that may be obtained from the board office or on the board's Web site. A biennial renewal fee will be charged.

193A—5.2(542) Obtaining effective status.

5.2(1) A holder of a certificate as a certified public accountant or a license as an accounting practitioner issued under prior laws shall be permitted to restore the certificate or license to an effective status at some future date upon the payment of a penalty of \$100 and the current renewal fee and by providing evidence of completed continuing education even though the holder had, prior to that date, ceased to renew with the board.

5.2(2) An applicant who wishes to restore a certificate or license to active status must meet the basic requirement of 120 hours of continuing education earned in the preceding three-year period prior to the date of application to restore active status. The hours claimed to restore active status cannot again be used at the next renewal. At the first biennial renewal date of July 1 that is less than 12 months from the date of filing the application to restore the certificate or license to active status, the certificate or license holder shall not be required to report continuing education. At the biennial renewal date of July 1 which is more than 12 months, but less than 24 months, from the date of filing the application to restore the certificate or license to active status, the certificate or license holder shall report 40 hours of previously unreported continuing education earned in the one-year period ending December 31 prior to the July 1 renewal date. At the biennial renewal date of July 1 which is more than 24 months, but less than 36 months, from the date of filing the application to restore the certificate or license to active status, the certificate or license holder shall report 80 hours of continuing education earned in the two-year period ending December 31 prior to the July 1 renewal date.

193A—5.3(542) Notices.

5.3(1) An application to renew a CPA certificate or LPA license may be obtained from the board office or on the board's Web site. While the board generally mails renewal applications in the May preceding certificate or license expiration, neither the board's failure to mail nor a licensee's failure to receive an application shall excuse the requirement to timely renew and pay the renewal fee.

5.3(2) A licensee shall notify the board within 30 days of any change of address or business connection.

193A—5.4(542) Renewal procedures.

5.4(1) A licensee shall file a timely and sufficient renewal application with the board by the June 30 deadline in the biennial renewal year. An application shall be deemed filed on the date received by the board or, if mailed, the date postmarked, but not the date metered.

5.4(2) An applicant for renewal under this chapter shall disclose on the application all background and character information requested by the board, including, but not limited to:

a. All states or foreign jurisdictions in which the applicant has applied for or holds a CPA certificate or license, an LPA license, or a substantially equivalent designation from a foreign country;

b. Any past denial, revocation, suspension, or refusal to renew a CPA certificate, license or permit to practice, or LPA license, or voluntary surrender of a CPA certificate, license or permit or LPA license to resolve or avoid disciplinary action, or similar actions concerning a substantially equivalent foreign designation;

c. Any other form of discipline imposed against a CPA certificate, license or permit, LPA license, or a substantially equivalent foreign designation;

d. The conviction of any crime; and

e. The revocation of a professional license of any kind in this or any other jurisdiction.

5.4(3) A licensee who performs compilation services for the public other than through a certified public accounting or licensed public accounting firm shall submit a certification of completion of a peer review conducted in accordance with 193A—Chapter 11 no less often than once every three years.

5.4(4) Within the meaning of Iowa Code subsection 17A.18(2), a timely and sufficient renewal application shall be:

a. Received by the board in person or electronic form or postmarked with a nonmetered United States Postal Service postmark on or before the date the license is set to expire or lapse;

b. Signed by the licensee if submitted in person or mailed, or certified as accurate if submitted electronically;

c. Fully completed, including continuing education, if applicable; and

d. Accompanied with the proper fee. The fee shall be deemed improper if, for instance, the amount is incorrect, the fee was not included with the application, the credit card number provided by the applicant is incorrect, the date of expiration of a credit card is omitted or incorrect, the attempted credit card transaction is rejected, or the applicant's check is returned for insufficient funds or a closed account.

5.4(5) The administrative processing of an application to renew an existing license shall not prevent the board from subsequently commencing a contested case to challenge the licensee's qualifications for continued licensure if grounds exist to do so.

5.4(6) If grounds exist to deny a timely and sufficient application to renew, the board shall send written notification to the applicant by restricted certified mail, return receipt requested. Grounds may exist to deny an application to renew if, for instance, the licensee failed to satisfy the continuing education as required as a condition for licensure. If the basis for denial is pending disciplinary action or disciplinary investigation which is reasonably expected to culminate in disciplinary action, the board shall proceed as provided in 193—Chapter 7. If the basis for denial is not related to a pending or imminent disciplinary action, the applicant may contest the board's decision as provided in 193—subrule 7.39(1).

5.4(7) When a licensee appears to be in violation of mandatory continuing education requirements, the board may, in lieu of proceeding to a contested case hearing on the denial of a renewal application as provided in rule 193—7.39(546,272C), offer a licensee the opportunity to sign a consent order. While the terms of the consent order will be tailored to the specific circumstances at issue, the consent order will typically impose a penalty between \$50 and \$250, depending on the severity of the violation; establish deadlines for compliance; and may impose additional educational requirements on the licensee. A licensee is free to accept or reject the offer. If the offer of settlement is accepted, the licensee will be issued a renewed certificate of registration and will be subject to disciplinary action if the terms of the consent order are not complied with. If the offer of settlement is rejected, the matter will be set for hearing, if timely requested by the applicant pursuant to 193—subrule 7.39(1).

5.4(8) Certificate or license holders who continue to practice public accounting as a CPA or an LPA in Iowa after their certificate or license has expired shall be subject to disciplinary action. Such unauthorized activity may also be grounds to deny a licensee's application for reinstatement.

193A—5.5(542) Failure to renew.

5.5(1) A person who fails to renew the certificate or license by the expiration date, but does so within 30 days following its expiration date, shall be assessed a penalty of 25 percent of the biennial renewal fee.

5.5(2) If the holder fails to renew the certificate or license within the 30-day grace period outlined in subrule 5.5(1) the certificate or license will lapse and the licensee shall be required to reinstate in accordance with subrule 5.5(3). The licensee is not authorized to practice during the period of time that the certificate or license is lapsed.

5.5(3) The board may reinstate an active certificate or license upon the applicant's completion of all of the following:

- a. Paying a penalty of \$100; and
- b. Paying the current renewal fee; and
- c. Providing evidence of completed continuing education outlined in rule 193A—10.3(542); and
- d. Providing a written statement outlining the professional activities of the applicant during the period in which the applicant's license was lapsed. The statement shall describe all services performed which constitute the practice of accounting including, but not limited to, those professional practice activities described in subrule 5.8(2).

5.5(4) The board may reinstate an inactive certificate or license upon the applicant's completion of all of the following:

- a. Paying a penalty of \$100; and
- b. Paying the current renewal fee; and
- c. Providing a written statement outlining the professional activities of the applicant during the period in which the applicant's license was lapsed. The statement shall describe all services performed which constitute the practice of accounting including, but not limited to, those professional practice activities described in subrule 5.8(2).

5.5(5) The board may find probable cause to file charges for unlicensed practice if the individual continues to offer services defined as the practice of accounting while using the title "CPA" or "LPA" during the period of lapsed registration.

193A—5.6(272C,542) Certificates and licenses property of the board. Every certificate or license granted by the board shall, while it remains in the possession of the holder, be preserved by the holder but shall, nevertheless, always remain the property of the board. In the event that the certificate or license is revoked, suspended, or is not renewed in the manner prescribed by Iowa Code chapter 542 or Iowa Code chapter 272C, it shall, on demand, be delivered by the holder to the administrator of the board. However, a person shall be entitled to retain possession of a lapsed certificate or license which has not been revoked, suspended or voluntarily surrendered in a disciplinary action as long as the person complies with all provisions of Iowa Code sections 542.10 and 542.13. A lapsed certificate or license may be reinstated to active status at any time pursuant to 193A—subrule 5.2(2).

193A—5.7(542) Licensee's continuing duty to report. A licensee shall notify the board in writing of the licensee's conviction of a crime within 30 days of the date of conviction. "Conviction" is defined in Iowa Code section 542.5(2). Licensees shall also notify the board in writing within 30 days of the date of any issuance, denial, revocation, or suspension of a certificate, license or permit by another state.

193A—5.8(272C,542) Inactive status.

5.8(1) General purpose. This rule establishes a procedure under which a person issued a certificate as a certified public accountant or a license as a licensed public accountant may apply to the board to register in inactive status. Registration under this rule is available to a certificate or license holder residing within or outside the state of Iowa who is not engaged in Iowa in any practice for which a certificate or license is required. A person eligible to register as inactive may, as an alternative to such registration, allow the person's certificate or license to lapse. The board will continue to maintain a data base on persons registered as inactive, including information which is not routinely maintained after a certificate or license has lapsed through failure to renew. A person who registers as inactive will accordingly receive renewal applications, board newsletters and other mass communications from the board.

5.8(2) Eligibility. A person holding a lapsed or active certificate or license which has not been revoked or suspended may apply on forms provided by the board to register as inactive if the person is not engaged in the state of Iowa in any practices for which a certificate or license is required, including:

- a. Supervising or performing any attest services, such as audits, reviews or agreed-upon procedures (which may only be performed by a CPA within a CPA firm which holds a permit to practice);
- b. Supervising or performing compilation services or otherwise issuing compilation reports (which may only be performed by a CPA or LPA); and
- c. Performing any accounting, tax, consulting, or financial or managerial advisory services for any client, business, employer, government body, or other entity while holding oneself out as a CPA or LPA, or otherwise using titles restricted in Iowa Code section 542.13.

5.8(3) Affirmation. The application form shall contain a statement in which the applicant affirms that the applicant will not engage in any of the practices listed in subrule 5.8(2) in Iowa without first complying with all rules governing reinstatement to active status. A person in inactive status may reinstate to active status at any time pursuant to subrule 5.8(7).

5.8(4) Renewal. A person registered as inactive may renew the person's certificate or license on the biennial schedule described in 193A—5.1(542). Such person is exempt from the continuing education requirements and will be charged a reduced renewal fee as provided in 193A—12.1(542). An inactive certificate or license shall lapse if not timely renewed.

5.8(5) Permitted practices. A person may, while registered as inactive, perform for a client, business, employer, government body, or other entity those accounting, tax, consulting, or financial or managerial advisory services which may lawfully be performed by a person to whom a certificate or license has never been issued as long as the person does not in connection with such services use the title "CPA" or "LPA," or any other title restricted for use only by CPAs or LPAs in Iowa Code section 542.13 (with or without additional designations such as "inactive"). Restricted titles may only be used by active CPAs or LPAs who are subject to continuing education requirements to ensure that the use of such titles is consistently associated with the maintenance of competency through continuing education.

5.8(6) Prohibited practices. A person who, while registered as inactive, engages in any of the practices described in subrule 5.8(2) or violates any provision of rule 193A—14.2(542) is subject to disciplinary action. A person in inactive status is not authorized to verify the experience of an applicant for a CPA certificate under Iowa Code section 542.5(12) or an applicant for an LPA license under Iowa Code section 542.8(8).

5.8(7) Reinstatement to active status. A person registered as inactive shall, prior to engaging in any of the practices listed in subrule 5.8(2) in Iowa, satisfy the conditions for reinstatement described in 193A—5.2(542). Such person shall be given credit for renewal fees previously paid if the person applies for reinstatement at other than the person's regular renewal date. A person who has engaged in the practice of public accounting in another jurisdiction while registered as inactive in Iowa will be deemed to have satisfied the continuing education required for reinstatement if the person demonstrates that the person has satisfied substantially equivalent continuing education in the other jurisdiction.

5.8(8) *Retired status.* A person registered as an inactive holder of a certificate as a certified public accountant or license as a licensed public accountant who does not reasonably expect to return to the workforce in any capacity for which a certificate or license is required due to bona fide retirement or disability may use the title “CPA, retired” or “LPA, retired,” respectively, in the context of non-income-producing personal activities.

These rules are intended to implement Iowa Code chapters 272C and 542.

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